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Economics

Saint Mary's College of California

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ECONOMICS

Economics is often called the “science of choice.” The economics major helps develop clear, rational problem-solving skills useful in business, government, and everyday life. Additionally, the economics major provides an understanding of economic institutions and policies today and as they have developed over time.

The major in economics leads to either a bachelor of science or a bachelor of arts, depending on the student's area of interest. The bachelor of science major is a quantitatively oriented program that provides excellent preparation for graduate studies and careers in economics or business administration. The bachelor of arts major is a social science-oriented program that is ideal for students planning professional studies and/or careers in law, teaching, business, or the public or nonprofit sectors.

The courses required for both majors combine a core of economic theory with the opportunity for students to explore a wide range of applications and/or to pursue in-depth a personal interest area in economics. For exposure to the breadth of economics, the department recommends that majors choose their elective economics courses to include one from each of the following groups:

- A. Micro-economic issues, applications and policy (**Economics 135, 150, 152, 170, 180**)
- B. Macro-economic issues, applications and policy (**Economics 130, 136**)
- C. International Perspectives (**Economics 160, 190, 192**)
- D. Historical and institutional perspectives (**Economics 111, 160**)

The appropriate group for **Economics 100, 195** and **197** will vary with chosen course focus.

Economics majors desiring a more concentrated focus or preparing for a career in law should consult with an economics advisor for assistance in selecting elective courses in economics and the allied disciplines.

The economics minor is an excellent complement to many majors such as politics, history, mathematics, communication, accounting, and business administration. The minor provides students with a core of economic theory and a sampling of the many fields of economics.

FACULTY

William C. Lee, Ph.D., *Professor, Chair*
Roy E. Allen, Ph.D., *Professor*
Ravi Bhandari, Ph.D., *Associate Professor*
Kara T. Boatman, Ph.D., *Associate Professor*
Jerry J. Bodily, Ph.D., *Professor*
Kristine L. Chase, Ph.D., *Professor*
Richard H. Courtney, Ph.D., *Associate Professor*
Joan U. Hannon, Ph.D., *Professor*
Hugh J. McAllister, Ph.D., *Professor*
Asbjorn Moseidjord, Ph.D., *Professor*
Donald W. Snyder, Ph.D., *Professor*
Theodore Tsukahara, Ph.D., *Professor*

LEARNING OUTCOMES

When students have completed the economics major, they will be able to:

- **ACCESS** and interpret existing published economic research and economic data.
- **SUMMARIZE** and explain economic issues, concepts and debates effectively.
- **ANALYZE** and explore economic issues critically; and design, conduct, and report on original economic research.

INTERNSHIPS

Students who want to combine study with practical experience in economics should contact the department in advance for information on a variety of opportunities available in both the private and public sectors. Course credit for internships may be available through enrollment in **Economics 195**.

HONORS

Majors who maintain at least a B average in economics may qualify to complete an honors thesis in their senior year. Honors thesis candidates normally begin the thesis project in **Economics 120** or **142** and, with permission of the instructor and department chair, complete it in **Economics 199**.

Majors and minors who maintain a GPA of 3.0 overall and 3.0 (3.25 for minors) in their economics courses will be considered for induction into and a lifetime membership in the Saint Mary's chapter of Omicron Delta Epsilon, the internationally recognized Economics Honors Society.

MAJOR REQUIREMENTS

LOWER DIVISION

BACHELOR OF SCIENCE DEGREE

Principles of Micro-/Macro-Economics (Economics 3, 4)

Statistics (may be satisfied by BusAd 40, Politics 100, Mathematics 4 or Psychology 103)

Mathematics 27 and 28 or 27 and 30

BACHELOR OF ARTS DEGREE

Principles of Micro-/Macro-Economics (Economics 3, 4)

Statistics (may be satisfied by BusAd 40, Politics 100, Mathematics 4, or Psychology 103)

One of the following: Mathematics 3, 27, or any upper-division mathematics course *except* Mathematics 101.

UPPER DIVISION

BACHELOR OF SCIENCE DEGREE

Economics 102, 105, 106, 141, 142, and four additional full-credit upper-division courses in economics, not to include Economics 199.

Majors desiring a more concentrated focus or preparing for a career in law should consult with an economics advisor for assistance in selecting elective courses.

BACHELOR OF ARTS DEGREE

Economics 102, 105, 106, and 120. Five additional full-credit upper-division courses in economics (*not to include* Economics 199). Majors desiring a more concentrated focus or planning a career in law should consult with an economics advisor for assistance in selecting elective courses in economics and the allied disciplines. Bachelor of arts majors who have completed the appropriate prerequisites in math and statistics may include Economics 141–142 among their upper-division economics elective courses.

Two courses from among the following allied disciplines:

Anthropology: 114, 123, 130

History: 104, 105, 117, 134, 136, 137, 151, 154, 161, 162, 172

Philosophy: 108, 113, 115, 116

Politics: 101, 104, 106, 107, 110, 111, 114, 120, 130, 135

Sociology: 120, 124, 134

Waivers of prerequisites or class standing require the approval of the department chair.

Some upper-division courses (including the required courses 120, 141, and 142), may be offered in alternate years only. The student must determine, prior to his/her registration for the junior year, in a conference with his/her advisor, which courses are currently being given in alternate years so that he/she will have an opportunity to complete all required courses in a timely manner.

MINOR REQUIREMENTS

A student may earn only one minor in the School of Economics and Business Administration. The minor in economics requires successful completion of seven courses: Principles of Micro/Macro Economics (Economics 3, 4); Statistics (may be satisfied by BusAd 40, Politics 100, Mathematics 4 or Psychology 103); Micro/Macro-Economic Theory (Economics 105, 106); and two additional full-credit upper-division economics courses.

Minors desiring a research experience in economics may include in their upper-division economics electives Economics 120 or (with the appropriate math and statistics prerequisites) Economics 141–142.

PREREQUISITE GRADE

Any course listed in this department with a prerequisite assumes a grade of C– or better in the prerequisite course.

COURSES

LOWER DIVISION

3 Principles of Micro-Economics

Introduction to the concepts and tools of micro-economic analysis.

Micro-economics is concerned with individual economic units including representative consumers, firms, and markets. Topics include resource allocation, income distribution, and price, wage, and quantity determination in competitive and noncompetitive markets. Micro-economic analysis, based in models of the rational decision-making behavior, is applied to selected current economic issues.

4 Principles of Macro-Economics

Introduction to the concepts and tools of macro-economic analysis.

Macro-economics is concerned with the relationship between major economic aggregates including firms, households, and government. Topics include the determination of the level of aggregate economic activity, inflation, and unemployment, as well as government's ability to achieve a full employment, non-inflationary Gross Domestic Product using fiscal and monetary policy. Macro-economics is applied to current economic issues including economic growth, business cycles, the government budget, and the policies of the Federal Reserve.

10 Economics and Society

A non-technical, introductory approach to micro- and macro-economics principles and issues designed for students with little or no background in economics who desire to learn what it's about. Students are introduced to the tools, terminology, and analytical methodology of economics through their application to a number of real-world social, political, and economic issues. Economics 10 does not substitute for Economics 3 or 4, and may not be taken by those who have completed Economics 3–4 (previously 1–2).

Offered in alternate years.

Curriculum Economics

UPPER DIVISION

Principles of Micro-/Macro-Economics are prerequisite to all upper-division courses except **Economics 100, 111, 150, and 180**.

100 Issues and Topics in Economics

Analysis of a selected theme, topic, issue, era, or region not covered by the regular course offerings of the department. Subject of the course will be announced prior to registration each semester when offered. Course will not be offered each semester but may be repeated for credit as content varies.

102 Development of Economic Thought

The course explores the historical and theoretical foundations of economic theory, with an emphasis on the classical political economists of the 18th and 19th centuries through a critical reading and analysis of the original works of important economic thinkers like Adam Smith, David Ricardo, Karl Marx and John Maynard Keynes. The course seeks to understand the relevance of these early economists to modern economic theory and issues.

105 Micro-Economic Theory

An intermediate-level analysis of the motivation and behavior of producers and consumers under alternative market structures. Particular emphasis is placed on price determination and resource allocation, as well as the application of theory to real-world issues. *Prerequisite:* **Mathematics 3** or equivalent.

106 Macro-Economic Theory

An intermediate-level analysis of the aggregate interrelationship between consumers, business, government, and the foreign sector in the determination of national income, employment, price levels, and economic growth rate. Particular emphasis is placed on policy alternatives available to mitigate unsatisfactory performance of these variables. *Prerequisite:* **Mathematics 3** or equivalent.

111 Economic History of the United States

Historical view of the development of the United States economy with particular emphasis on economic growth, income distribution, and structural and institutional change in the 19th and 20th centuries. Course themes include the evolution of market structures, business organization, trade and technology; the history of American living standards, income distribution and poverty; immigration, race and gender roles; business cycle history; the changing role of government and the rise of the American-style welfare state. Students are provided an historical perspective on the origins of current economic issues.

Offered in alternate years.

120 Research Seminar

This seminar is designed to develop the student's ability to do economics research. Methods of economics research are examined and each student conducts a research project, from the initiation of the concept to be examined through hypothesis testing and evaluation of test data, under the guidance of the instructor.

Offered in alternate years.

130 Money, Credit, and Banking

A description and analysis of the role of money, credit and financial institutions in a modern economy. Special emphasis is placed on the financial markets and the banking system in the United States. The course examines the structure and impact of the Federal Reserve System on financial markets, interest rates, inflation and the economy in general, as well as the role of central banks in the world financial markets. *Prerequisite:* **Economics 106** or consent of instructor.

135 Public Finance

An analysis of government taxing and spending activities using theoretical, empirical, and institutional material. Topics include optimal provision of collective goods, cost-benefit analysis, tax incidence, policies aimed at efficient level of externalities such as pollution, income redistribution, models of democratic and bureaucratic decision-making, and the design of government procurement contracts.

Offered in alternate years.

136 Investments

Description and analysis of the securities markets (bonds, stocks, etc.) from the viewpoint of the private investor. The student is introduced to asset valuation theories as well as the basis of portfolio selection. Particular emphasis is placed on the trade-off between risk and return, both for the individual assets and in a portfolio context. *Prerequisite:* **BusAd 40** or equivalent.

141–142 Methods of Quantitative Analysis

The first part of this two-semester sequence explores the ways in which economists use mathematical techniques—especially linear (matrix) algebra and differential calculus—to represent and “solve” a wide range of theories, problems and hypotheses. Applications include the firm's profit maximization and the consumer's optimization of utility. *Prerequisite:* **Math 27–28** or **Math 37–38** and **Economics 105**.

The second part of the sequence is about how economists use statistical data to estimate and predict relationships between different economic variables. The goal is to have students become educated consumers and producers of econometric analysis; the former by studying how other economists make use of econometric methods in their work, and the latter by doing estimations (running regressions) themselves using statistical software packages. Students will conduct an in-depth econometric research project on the topic of their choice.

Prerequisites: **BusAd 40** or equivalent and **Economics 141**.

Offered in alternate years.

150 Environmental and Natural Resources Economics

All economic activity involves an exchange with the natural environment. Natural resources are used in production and consumption and then returned to the environment in some form of waste. The class focuses on how a market economy actually handles these exchanges and develops criteria for judging the economy's performance in this regard. Important questions include the following: Are we exhausting our natural resources? Will we run out of cheap energy? What is the appropriate balance between economic standard of living and environmental quality? Can we rely on market forces to achieve the appropriate balance or do we need government intervention?

Offered in alternate years.

152 Labor Economics

An extension and application of micro-economic theory to analysis of labor market processes that determine the allocation of human resources, as well as the level and structure of wages, employment and working conditions. The course devotes considerable attention to the public and private institutions (e.g., labor laws and unions) and sociological forces (e.g., prejudice and discrimination) that interact with demand and supply forces. Labor market models that take account of economic, sociological, and institutional forces are used to explain recent trends and patterns in the level and distribution of wages, employment, working conditions, and union membership. The models are also used to analyze the impact on labor markets of changes in trade, technology, immigration, family structures, and social norms; and to evaluate the efficiency and equity effects of government, business, and union policies.

Offered in alternate years.

160 Comparative Economics Systems

The production and distribution of goods and income and the material welfare of people—the longtime concerns of economics—can be achieved in many different ways. This course examines capitalism, socialism, traditional village economies, and other ways to organize economic activity. Case studies from around the world will include less developed as well as developed countries, China, Russia, Latin America, the Middle East, and Africa. The course also examines the new globally integrated economy, based significantly on the U.S. model, and how it impacts various regions of the world.

Offered in alternate years.

170 Industrial Organization

Industrial organization is the study of firms, markets and strategic competition. The course will examine how firms interact with consumers and on one another, primarily using the tools of game theory. Topics include competitive strategies, price discrimination, antitrust policy, mergers, and advertising. Upon completion of the course, students should be able to examine real-world mergers and other firm strategies with a critical eye and predict market outcomes and consumer impacts. *Prerequisites:*

Economics 3, Economics 105 or consent of instructor.

Offered in alternate years.

180 Sports Economics

Economic principles are used to analyze issues in the professional and amateur sports industries. Topics include league history and structure, labor issues, stadium financing, player salaries, competitive balance and the role of the NCAA. The economic perspective helps students better understand the industry and its economic, social and cultural significance. *Prerequisite:* **Economics 3**.

Offered in alternate years.

190 International Economics

An analysis of what determines the patterns of merchandise and services trade between countries, as well as an in-depth study of international financial markets. Special topics to be covered include: protectionism, economic reforms in Eastern Europe and China, the Third World debt crisis, and the future international trade environment.

Offered in alternate years.

192 Economic Development

A broad overview of the leading topics in development economics, with an emphasis on the application of economic theory to problems of economic development in Latin America, Africa, and Asia and the practical policy issues and debates. Topics include the definition and measurement of economic development, macro-economic theories of growth and structural change, poverty and inequality, population, human capital, agriculture and rural development, migration, environment, trade, debt, liberalization and structural adjustment, foreign investment and foreign aid.

Offered in alternate years.

195 Internship

Work-study program conducted in an appropriate internship position, under the supervision of a faculty member. Normally open to senior students only. Permission of instructor and department chair required.

197 Special Study

An independent study or research course for students whose needs are not met by the regular courses in the curriculum. Permission of instructor and department chair required.

199 Special Study—Honors

Independent study and research in an area of interest to the student culminating in a written thesis presenting the issue, methods of analysis, and research findings. Normally open only to seniors with at least a B average in economics who have completed **Economics 120** or **Economics 141–142** with a grade of B or better. (Seniors may be allowed to concurrently enroll in **Economics 142** or **120** and **199**). Permission of instructor and department chair required.